

Name _____

Period _____

Ch. 5.1 – Market-Oriented Economic Systems

- 1) Basic principles – The Free Enterprise System encourages individuals to. . .
- 2) The free enterprise system is based on several principles. They include:
 - a.
 - b.
 - c.
 - d.
- 3) Define and explain the following principles of Free Enterprise.
 - Freedom of Ownership
 - Competition
 - Non-price competition
 - Price competition
- 4) Exclusive control over a product or the means of producing it is the definition for _____.
- 5) What is a “regulated monopoly” and site an example.

- 6) Explain the terms Risk and Profit

Risk:

Profit:

- 7) What are the economic costs of unprofitable firms:

a.

b.

c.

d.

e.

f.

g.

- 8) What are the economic benefits of successful firms:

a.

b.

c.

d.

e.

9) _____ & _____

determine prices and quantities of goods / services

10) Supply is:

11) Demand is:

12) What occurs when supply is greater than demand?

13) What occurs when demand is greater than supply?

14) When the amount of a product being supplied is equal to the amount demanded.....

What exists? _____